

1 DAVID R. ZARO (BAR NO. 124334)
FRANCIS N. SCOLLAN (BAR NO. 186262)
2 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
3 515 South Figueroa Street, Ninth Floor
Los Angeles, California 90071-3309
4 Telephone: (213) 622-5555
Facsimile: (213) 620-8816
5 E-Mail: dzaro@allenmatkins.com
fscollan@allenmatkins.com

6 JEFFREY R. PATTERSON (BAR NO. 126148)
7 TED FATES (BAR NO. 227809)
ALLEN MATKINS LECK GAMBLE
8 MALLORY & NATSIS LLP
501 West Broadway, 15th Floor
9 San Diego, California 92101-3541
Telephone: (619) 233-1155
10 Facsimile: (619) 233-1158
E-Mail: jpatterson@allenmatkins.com
11 tfates@allenmatkins.com

12 Attorneys for Receiver
THOMAS A. SEAMAN
13

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA
16

17 SECURITIES AND EXCHANGE
COMMISSION,
18

19 Plaintiff,

20 vs.

21 Safevest, LLC; Jon G. Ervin; and John
V. Slye,

22 Defendants.
23
24
25
26
27
28

Case No. SACV08-00473 JVS (MLGx)

**ORDER TO SHOW CAUSE RE
CONTEMPT**

Judge: Hon. James V. Selna

1 **TO ALL INTERESTED PARTIES:**

2 Thomas A. Seaman ("Receiver"), Court-appointed permanent receiver for
3 Safevest, LLC, and its subsidiaries and affiliates (collectively, "Safevest" or the
4 "Receivership Entities"), and his counsel of record, Allen Matkins Leck Gamble
5 Mallory & Natsis LLP ("Allen Matkins"), (together, "Movants") have applied on an
6 emergency *ex parte* basis, for an requiring **A. Stephenson Wallace** and his attorney
7 **David A. Bellon** ("Respondents") to show cause why they should not be held in
8 contempt and sanctioned for violating this Court's Preliminary Injunction Order,
9 dated May 12, 2008 ("PI Order"). Doc #16. In the alternative, Movants sought an
10 order to have a noticed motion for an OSC re Contempt heard on shortened notice.

11 The Court, having considered the *ex parte* application, having received no
12 opposition, and finding good cause, hereby grants the application and orders as
13 follows:

14 1. Respondents A. Stephenson Wallace and his attorney David A. Bellon
15 are ordered to show cause in this Court why Respondents should not be held in civil
16 contempt and sanctioned for violating the PI Order by:

17 (a) filing an adversary complaint against the Receiver and Allen Matkins in
18 the U.S. Bankruptcy Court, Southern District of Georgia (Adv. Pro. No. 11-
19 01050)("Adversary Proceeding"), without first obtaining leave of this Court as
20 required under the PI Order and/or 28 U.S.C. § 959; and

21 (b) moving for and obtaining an order from said Bankruptcy Court purporting
22 to substantively consolidate the estate of these Receivership Entities with the
23 debtor's estate in said bankruptcy case, without notice to the Receiver and without
24 first obtaining relief from the PI Order from this Court.

25 2. The sanctions to be issued may include, without limitation, monetary
26 sanctions against Respondents, jointly and severally, in an amount sufficient to
27 cover the fees and costs incurred by the receivership estate as a result of the conduct
28 alleged in Paragraph 1 above.

1 3. A hearing on the Order to Show Cause is set for **November 22, 2011 at**
2 **4:00 p.m.** before the Honorable James V. Selna, Courtroom 10C, 411 West Fourth
3 Street, Santa Ana, CA 92701. If either Respondent objects to being held in civil
4 contempt, such Respondent shall file a legal memorandum of points and authorities
5 and declarations containing his objections no later than November 17, 2011.
6 Movants may file a response no later than 9:00 a.m. November 21, 2011.

7 4. Without limitation as to other means, filing of this Order in the
8 Adversary Proceeding and service therein by ECF or mail shall constitute proper
9 notice and service of this Order on Respondents.

10 IT IS SO ORDERED.

11
12 Dated: November 10, 2011



James V. Selna
United States District Judge